

# Précis

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## Best Practices in Urban Development: Learning from Brazil

**F**IVE BANK-FUNDED URBAN PROJECTS CARRIED out in Brazil between 1979 and 1989 helped municipalities improve the provision of services and demonstrated that well-designed operations can lead to sustained improvement in living conditions for low-income residents, according to an OED study\* of the projects. The study found evidence of lasting positive effects from the operations five to ten years after their completion, including lower risks of flooding, stronger municipal management systems and procedures, greater responsibility by local governments for the provision of services, and revitalized community participation.

Using case studies from “best practice” cities, the study extracted lessons from experience that can be applied elsewhere. It recommends continuing efforts targeted at the urban poor, disseminating best practice experience, offsetting poor maintenance with high-quality materials, supporting policy and research institutions, and mainstreaming participatory evaluation methods.

Five Bank-funded urban development projects were implemented in Brazil between 1979-89 (Medium-size Cities, Recife Metropolitan, Fortaleza/Salvador Pilot Metropolitan, Paraná Market Towns, and Northeast Flood Reconstruction) with loans totaling \$335 million. The projects varied in designs and covered all of the country's major urban re-

gions. But they all shared the common goal of enhancing the efficiency and equity of urban services, so as to improve the living conditions of the urban poor and support institutional development.

The OED study evaluated the cities that improved their infrastructure and housing over the project periods (1980-91) to learn how municipalities that car-



## Beneficiary Evaluation: The Experience in Brazil

EXCELLENT RESPONSE. GROUP MEETINGS IN each of the 11 cities provided crucial insights into participatory development of poorer urban areas in Brazil. The evaluation team met groups of 8-16 project beneficiaries for 1-2 hours. Local residents were most willing to help the study's inquiries at very short notice.

*Element of surprise.* To avoid possible stage-management of community responses to its inquiry, the evaluation team selected the beneficiary groups to be interviewed and the areas to be surveyed without prior notice. Upon arrival in the city, the evaluation team quickly identified all project areas and selected one randomly, immediately scheduling a meeting with the neighborhood group.

*The meetings.* In some cities, social workers or the local community-based organization helped locate and invite residents for interviews. In some cases, members of the evaluation team went door-to-door seeking participants. In no case did local authorities handpick participants. Mobilizing residents for meetings proved more difficult in large cities than in smaller towns.

*The discussions.* A moderator guided the discussions on two topics: how the neighborhood had changed through the project (the *before project* and *after project* perspective) and how the improved neighborhood compared with other unimproved ones (the *with project* and *without project* perspective).

ried out best practices had succeeded in improving living conditions of the poor. From these cases, the study sought to make practical recommendations for policymakers in the sector through examples of excellence that may be replicated elsewhere.

The evaluation focused on three key impact areas: living conditions of the urban poor; the decentralization of urban services; and the beneficiaries' voice and participation in the improvements.

The study relied on participatory evaluation using inputs obtained from local residents through individual and group interviews. The study team met with over 100 beneficiaries in the 11 "best practice" cities, which included five medium-size cities, two small market towns, and a dormitory suburb of the metropolitan region of Curitiba (see box).

## Background

The projects were among 14 Bank-funded urban projects carried out in Brazil since 1978, for a total of \$1.2 billion. All five projects were prepared between 1979 and 1983, without the benefit of country sector work. This meant that each operation had to find its own policy priorities. Sector work for Latin America began only in 1983, and for Brazil only in 1985. At the time, the Bank was concerned primarily with cost recovery as an instrument for mobilizing resources for additional investments.

Throughout the 1980s, Brazil's capacity for urban policymaking deteriorated steadily and did not begin to improve until after the country's new constitution went into effect. As a result, operational staff found that a number of Bank-funded projects experienced considerable implementation problems during the period. Brazil's 1988 Constitution invoked a major shift in power to municipal governments. The federal government, which had been responsible for sector policy when the projects were being prepared, withdrew from the urban sector, giving municipalities the responsibility and resources for managing urban development.

The study focused on the two goals that all five projects had in common (living conditions and institutional development) and draws lessons that are relevant to the country's new decentralized setting. While efficiency and equity goals remain at the center of the Bank's sector strategy in Brazil, the major challenge now is how to develop multiple policy dialogues with many municipalities simultaneously.

## General Findings

The study concluded that the projects helped place municipalities at the forefront of urban service provision. They also demonstrated that robust and well-designed physical investments—particularly in sanitation, drainage, and paving—lead to sustained improvement in living conditions for low-income residents.

By strengthening the capabilities of municipal authorities and by helping simplify the regulatory framework, the projects facilitated the decentralization of urban services and helped revitalize community-based organizations, through which local residents learned how the rules of urban service delivery work and how to hold municipal governments accountable.

Four of the five projects were found satisfactory. The Recife project was rated unsatisfactory because of its overly ambitious design and difficult macroeconomic

conditions during implementation. The Medium-size Cities and the Paraná Market Towns projects were considered particularly successful. Three follow-up operations continue to pursue efficient urban service provision at the municipal level.

### Impact on Living Conditions

*Access and drainage.* Thanks to paved streets and improved drainage, buses and service vehicles were able to enter many neighborhoods for the first time, improving service delivery and allowing residents to commute to jobs in other areas. Residents in four project areas that had been prone to flooding reported that no major floods had occurred since the projects were completed (see Table 1).

*Housing.* Few housing unit enlargements were made after the projects but residents used better quality

materials to refurbish their units. Property values increased substantially.

*Social services.* The projects strengthened community life within neighborhoods and had an indirect impact on the cities through the additional health posts, daycare centers, and schools that were built in the project areas shortly after the improvements were completed.

*Maintenance.* The study found that works built with more robust materials had more sustainable impacts—mostly because little if any adequate maintenance of infrastructure is carried out in poor urban areas. Low-cost sewerage solutions, for example, failed because of broken or blocked pipes. Street pavement made of irregular cobblestones broke under the heavy load of buses and garbage trucks. Maintenance remains a low priority and is deficient in most cities.

**Table 1: Beneficiaries' Perspectives on Their Living Conditions**

City and project area	Rating of project outcomes		Most commonly cited examples of	
	Before and after	With and without	Satisfactory outcomes	Unsatisfactory outcomes
Fortaleza	Better	(no comment)	Regular bus services	Lack of sewerage
Parque Potira			More day-care centers	Flooding is worse
Recife	Same	(no comment)	Bus service right into area	Flooding is worse
Casa Amarela			More paved streets	Maintenance inadequate
Salvador	Better	Better	Less flooding	Lack of health services
Antonio Balbino			Better vehicular access	Maintenance inadequate
Petrolina*	Much better	Better	Better drainage	Blocked sewerage system
Vila Mocê			Health posts and schools	Maintenance inadequate
Juazeiro	Better	Better	Better vehicular access	Flooding still occurs
Alto do Cruzeiro			More school places	Maintenance inadequate
Natal*	Better	Same	Better vehicular access	Flooding still occurs
Quintas			Access to nearby health posts	Maintenance inadequate
Aracajú*	Much better	Better	Less flooding/sewage	None
18 de Forte			Bus service more reliable	
Propriá*	Better	Better	Less flooding	Maintenance inadequate
Bairro América			More schools	
Almirante Tamandaré*	Better	Better	Better bus services	Side streets still unpaved
Lamenha Grande			Health post and schools	
Colorado*	Much better	Same	Better vehicular access	None
Colorado			Less flooding	
Juiz de Fora*	Better	Same	New bus service	Flooding still occurs
Santa Efigênia			Health post and schools	Maintenance inadequate

\* Best practice cases.

Before and after outcomes summarize beneficiaries' comparison of the physical characteristics of their areas today with those of the unimproved preproject areas.

With and without outcomes summarize beneficiaries' opinions of the physical conditions of their areas today with those of similar, but still unimproved, areas of their cities.

**Table 2: Project Ownership by Municipalities**

<i>Municipality</i>	<i>Consensus building efforts</i>	<i>Transfers between administrations</i>	<i>Origin of project ideas</i>
Fortaleza	Yes (through project team)	Conflictive	Federal government
Recife	None	Conflictive	Federal government
Salvador	None (conflict between state and municipality)	Conflictive	Federal government
Petrolina*	Yes (team convinced politicians)	Smooth (same political group)	Federal government
Juazeiro	Yes (led by city mayor who was an engineer)	Conflictive	Local
Natal	None (powerful mayor, dominant coalition)	Smooth (same political group)	Federal government
Aracajú*	None (powerful mayor, dominant coalition)	Smooth (same political group)	Federal government
Propriá*	Yes (through the city council)	Smooth (between political adversaries)	Local
Almirante Tamandaré*	Yes (with assistance of state government)	Smooth (between political adversaries)	Local
Colorado*	None (unnecessary: dominant coalition)	Smooth (same political group)	Local
Juiz de Fora*	Yes (through project team)	Smooth (between political adversaries)	Local

\*Best practice cases.

### Institutional Development Impact

Thanks to the projects, municipalities strengthened their own management of project preparation, evaluation and procurement. Many municipalities have introduced economic evaluation of proposed investments for the first time. Most cities have set up special procurement units and today carry out project work using their own resources. Municipalities have also simplified the regulatory framework for project approvals, thus developing a new “project culture.” Unfortunately, this new project culture rarely embraces maintenance.

*Policymaking.* There were only modest impacts on local urban policymaking, which still has to fill the gap left by federal retrenchment. Nevertheless, most cities adopted more rigorous cost-recovery policies. Some even established urban planning and research institutes, staffed by project personnel, which have been responsible for important policy innovations and for updating master planning efforts.

*Ownership.* Municipalities successfully took over ownership of projects originally under federal government responsibility (see Table 2). Local ownership was strong enough in some cases to ensure the smooth transfer of projects between political adversaries following local elections (three municipal elections were held during project implementation).

### Beneficiaries’ Participation

The projects helped strengthen community-based organizations (CBOs), through which local residents learned a lot about urban service provision rules, who was responsible for service provision, and what the roles and relationships of key parties were. CBOs, which had a tradition of involvement in the implementation of urban projects, were effective liaisons between local government and residents, and useful monitors of project progress on behalf of residents.

CBOs grew strongest in medium-size cities. Large metropolitan administrations are complex and the physical remoteness of project sites from city hall makes effective communication difficult. On the other hand, residents of small towns felt they could approach local officials directly, often making intermediation by CBOs unnecessary.

The study found no evidence that local communities had been consulted during the planning phase of the projects. Most local residents learned about the projects only as work began in their areas. Thus, most residents learned the rules of urban service provision from observing and monitoring the implementation of the projects themselves. City councilors played an important participatory role in this.

Having learned about municipal responsibilities, local residents held municipal governments accountable for the provision of urban services to their areas. The experience, however, provided no incentive for communities to seek self-help solutions to their problems. The study found no evidence that the projects had stimulated self-help provisions for urban services.

## Recommendations

The study recommends that the Bank and the government:

- *Continue efforts to improve living conditions of the urban poor.* Local governments in particular should find ways to replicate the experiences of the projects. Meeting increasing demand will require stronger fiscal efforts by municipalities and creative solutions for the participation of the private sector.
- *Disseminate best practice experiences* of cities that have excelled in improving urban service provision. This could be done through publication of articles in academic journals, feature stories in the media, databases on the internet, and materials produced by institutes and professional associations.
- *Encourage institutional reform at the municipal level.* The projects demonstrated that municipalities can manage urban service provision effectively and that local residents increasingly expect them to do so. For these reasons, institutional reform should focus on the local level. This can also encourage innovative financial intermediation to mobilize private sector funds.

- *Apply robust and comprehensive physical solutions,* using durable materials that can withstand years of neglected maintenance. Without maintenance, the initial cost savings of cheaper materials will be wiped out by the additional investments needed to replace infrastructure as it deteriorates prematurely.
- *Support urban policy and research institutes.* The study found that they helped innovate urban service provision at the municipal level and that they can ensure long-term commitment to sector policy development and urban planning.
- *Always make participatory assessment—especially involving women—a part of project design and evaluation.* Women played an important role in community strengthening. They were among the most active participants in group discussions with the study team and the most knowledgeable about urban improvements in their areas.

## Follow-up

The Bank's operational staff reports that some of the lessons from past experiences have been incorporated into the design of new operations. Starting in the late 1980s, urban projects began to pay greater attention to institutional development and municipal reform, including privatization, and to the long-term needs of expanding cities for urban infrastructure. Greater efforts were also made to disseminate policy reforms and best practices, and to increase community participation through CBOs.

# Précis

\*Impact evaluation report: "Learning from Best Practice Urban Development Experience in Brazil," by Alcira Kreimer and Roy Gilbert, Report no. 16636, June 17, 1997. Available to Bank Executive Directors and staff from the Internal Documents Unit and from regional information service centers, and to the public from the World Bank InfoShop:  
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